

EXECUTIVE SECRETARIAT

ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA				
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt	DDO for ES 6/20/84			
13	D/Pers				
14	D/OLL				
15	D/PAO		X		
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO/LA		X		
20	NIC/ECON		X		
21					
22					

SUSPENSE

Date

Remarks

Executive Secretary
15 June 1984

Date

3637 (10-81)

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4728

THE WHITE HOUSE

WASHINGTON

Executive Registry

84-2620

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June 14, 1984

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE DIRECTOR, OFFICE OF MANAGEMENT AND
BUDGET
✓ THE DIRECTOR OF CENTRAL INTELLIGENCE
THE UNITED STATES TRADE REPRESENTATIVE
THE ASSISTANT TO THE PRESIDENT FOR POLICY
DEVELOPMENT
THE CHAIRMAN, COUNCIL OF ECONOMIC ADVISORS
ADMINISTRATOR, AGENCY FOR INTERNATIONAL
DEVELOPMENT

SUBJECT: Financial Package for Honduras (C)

The severity of Honduran economic problems is considered to be a potential threat to the stability of the Suazo government -- a strategically important supporter of U.S. policy in Central America. Consistent with this concern, the President has carefully weighed the need to maintain the integrity and discipline of Honduran economic adjustment against immediate U.S. national security priorities. The President determined that a demonstration of our support for Honduras at this time would accrue important benefits to U.S. interests that on balance outweigh the disadvantages of deferring aspects of economic conditionality attached to the release of a measured amount of U.S. funding. (C)

The President has approved the following financial assistance package for Honduras for immediate release:

- o \$30 million disbursement from AID Economic Support Fund (with the remaining \$10 million for FY 84 still conditional on Honduran economic performance)
- o \$7 million -- Commodity Credit Corporation Guarantees
- o \$7 million -- PL-480 Title I program
- o \$2 million -- Section 416 Food Aid
- o \$10 million -- Eximbank line of credit and resumption of case-by-case consideration of new credits subsequent to immediate repayment of Honduran arrearages. (C)

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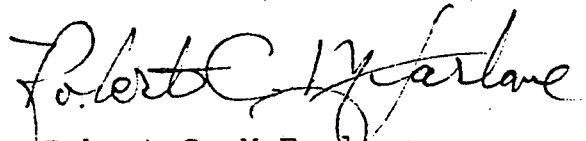
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As a result of the increasing frequency of emergency requests for financing by developing countries, consideration is presently being given to developing an appropriate mechanism to formulate and coordinate future financing packages for countries where important U.S. national interests are at stake. (C)

FOR THE PRESIDENT:


Robert C. McFarlane

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